

# M&A AT A GLANCE

MAY 2023 | ISSUE 134

## Key Takeaways

- M&A activity was generally down in April, reversing March's positive signals. U.S. and global total deal values fell 32% and 8%, respectively, while the total number of U.S. and global deals both fell 24%. Sponsor activity was down in the U.S. and globally, with total deal values falling 45% and 34%, respectively, and the number of deals falling 20% and 22%, respectively. Strategic activity was down in the U.S., with both total deal values and number of deals falling by 25%, and saw a slight increase of 3% in total deal value globally, though accompanied by a 25% decline in the number of deals.
- U.S. inbound crossborder activity was mixed in April, increasing a significant 117% by total deal value, but falling 21% by number of deals. Japan led inbound activity by total deal value in April, while Canada led by the same measure for the last twelve months (LTM). Canada also led inbound activity by number of deals, both in April and LTM. The trend was similar for U.S. outbound activity, which was up 12% by total deal value and down 38% by number of deals. Germany led outbound activity by total deal value both in April and LTM, although ~81% of this activity was due to Carrier Global's acquisition of Viessmann Climate Solutions for €12 billion (Paul, Weiss advised Carrier). Canada led outbound activity by number of deals in April, while the U.K. led LTM.
- Healthcare was again the most active industry in the U.S. by total deal value in April (\$25.4 billion), despite falling 51% from March. More than half of this Healthcare activity was due to General Atlantic's \$2.1 billion sale of its stake in OneOncology to TPG (Paul, Weiss advised General Atlantic/OneOncology) and Merck's \$10.8 billion acquisition of Prometheus Biosciences (Paul, Weiss advised Merck). Leisure & Recreation, the fifth most active industry in the U.S. by total deal value in April, was up a significant 1,238% over March, in large part due to the merger of World Wrestling Entertainment and UFC (Paul, Weiss advised WWE). Computers & Electronics led U.S. activity by number of deals in April, as well as LTM by total deal value and number of deals.
- U.S. public merger highlights in April include the following:
  - Cash-only consideration and stock-only consideration dominated, with each being offered in 44% of deals.
  - All deals with a reverse break fee were strategic deals. Average reverse break fees were 4.7%, below the LTM average of 5.5%.
  - No deals had a go-shop provision, compared to the LTM average of 6.0%.
  - Tender offers accounted for 11% of deals, below the LTM average of 15%; and hostile/unsolicited offers accounted for 10% of deals, below the LTM average of 17%.

## Strategic vs. Sponsor Activity





U.S.
<b>Total</b>
<b>\$99.3 billion – ▼31.5%</b>
<b>677 deals – ▼23.8%</b>
<b>Strategic</b>
<b>\$72.8 billion – ▼24.9%</b>
<b>551 deals – ▼24.6%</b>
<b>Sponsor</b>
<b>\$26.6 billion – ▼44.7%</b>
<b>126 deals – ▼20.3%</b>

Global
<b>Total</b>
<b>\$260.1 billion – ▼7.8%</b>
<b>2,470 deals – ▼24.3%</b>
<b>Strategic</b>
<b>\$207.0 billion – ▲2.9%</b>
<b>2,184 deals – ▼24.7%</b>
<b>Sponsor</b>
<b>\$53.1 billion – ▼34.4%</b>
<b>286 deals – ▼21.6%</b>

## Crossborder Activity

U.S. Inbound	U.S. Outbound
<b>\$14.6 billion</b> <b>▲117.4%</b>	<b>\$14.8 billion</b> <b>▲12.0%</b>
<b>99 deals</b> <b>▼21.4%</b>	<b>103 deals</b> <b>▼38.3%</b>
leading country <b>Japan – \$6.5 billion</b> <b>Canada – 21 deals</b>	leading country <b>Germany – \$13.3 billion</b> <b>Canada – 23 deals</b>
leading country last 12 months <b>Canada – \$49.9 billion</b> <b>Canada – 305 deals</b>	leading country last 12 months <b>Germany – \$35.5 billion</b> <b>U.K. – 380 deals</b>

## Industry Activity

 most deals <b>221 deals</b> Computers & Electronics	 last 12 months <b>3,324 deals</b> Computers & Electronics
 most dollar value <b>\$25.4 billion</b> Healthcare	 last 12 months <b>\$365.5 billion</b> Computers & Electronics

## SPAC Acquisitions

 <b>\$2.3 billion</b> ▼ 2.9%	<b>5 deals</b> ▼ 28.6%	 <b>\$4.9 billion</b> ▲ 6.8%	<b>21 deals</b> ▲ 16.7%
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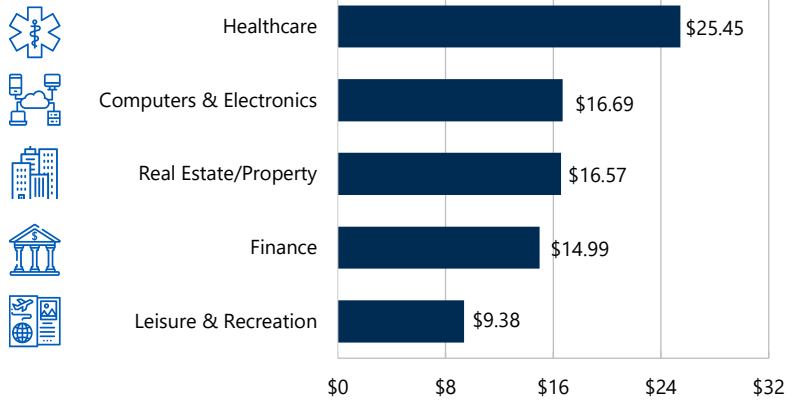
All data is for April 2023, and is as of May 10, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries<sup>1</sup>

Deal Value (US\$B)

April 2023

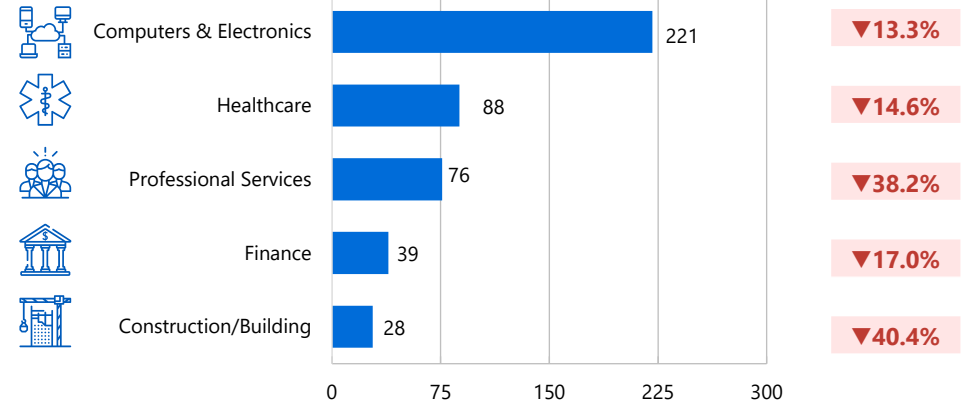
+/- from last month



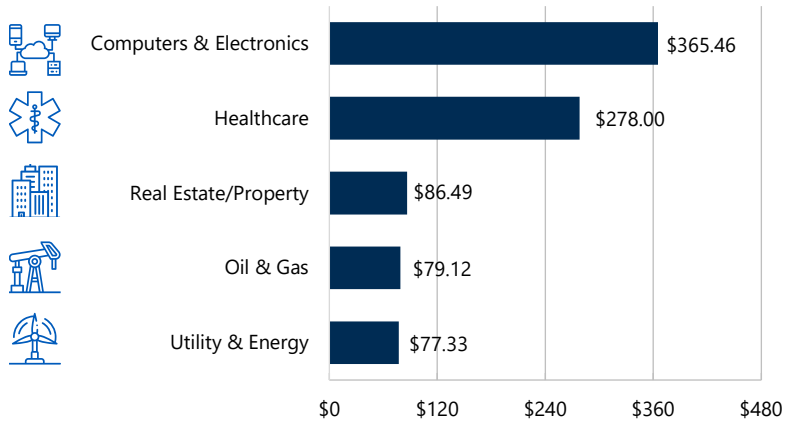
Number of Deals

April 2023

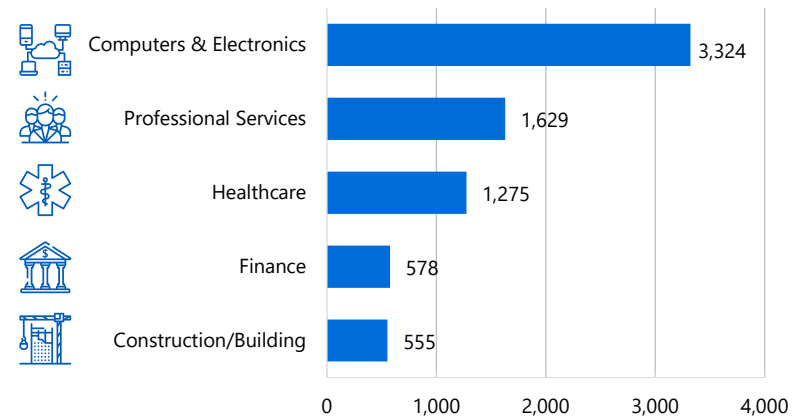
+/- from last month



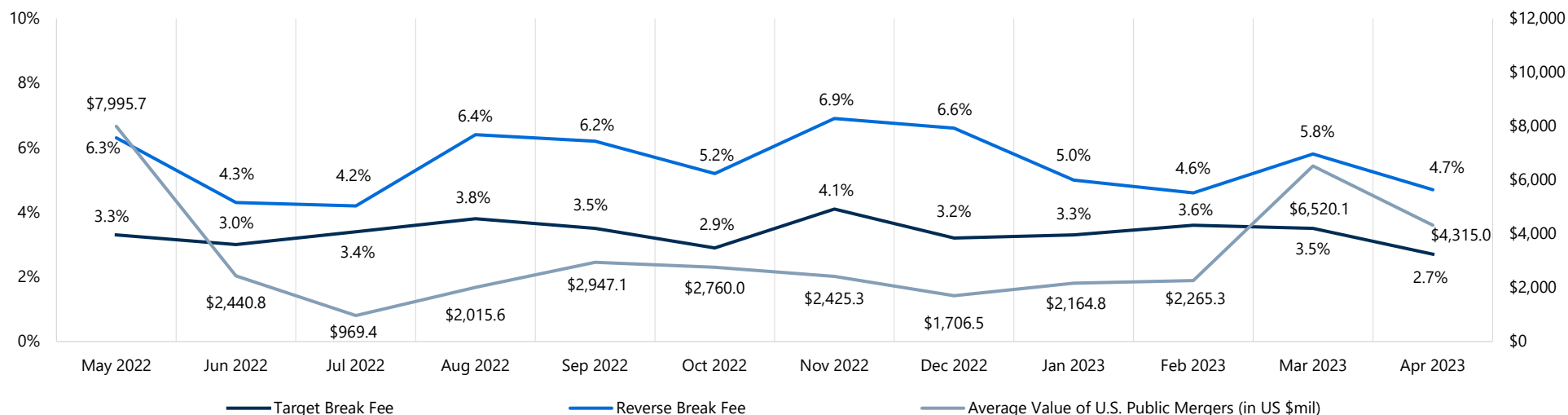
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value<sup>2</sup>



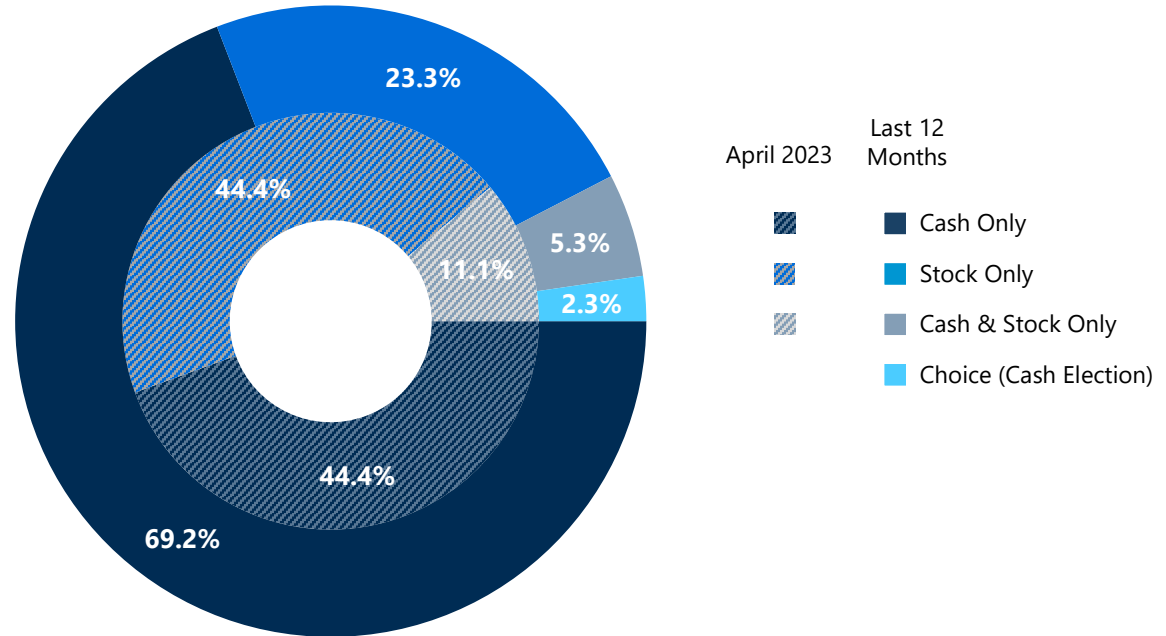
Average Break Fees as % of Equity Value<sup>3,4</sup>

	April 2023	Last 12 Months
Target Break Fee for All Mergers	2.7	3.4
Reverse Break Fee for All Mergers <sup>5</sup>	4.7	5.5
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	N/A	6.2
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>7</sup>	4.7	5.1

U.S. Public Merger Go-Shop Provisions<sup>4</sup>

	April 2023	Last 12 Months
% of Mergers with Go-Shops	0.0	6.0
% of Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	N/A	17.9
% of Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	0.0	1.1
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	N/A	41.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	N/A	42.1
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	40.0

Form of Consideration as % of U.S. Public Mergers<sup>13</sup>



Tender Offers as % of U.S. Public Mergers

April 2023	11.1
Last 12 Months	15.0

Unaffected Premium %<sup>14, 15</sup>

April 2023	48.2
Last 12 Months	51.3

Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>14</sup>

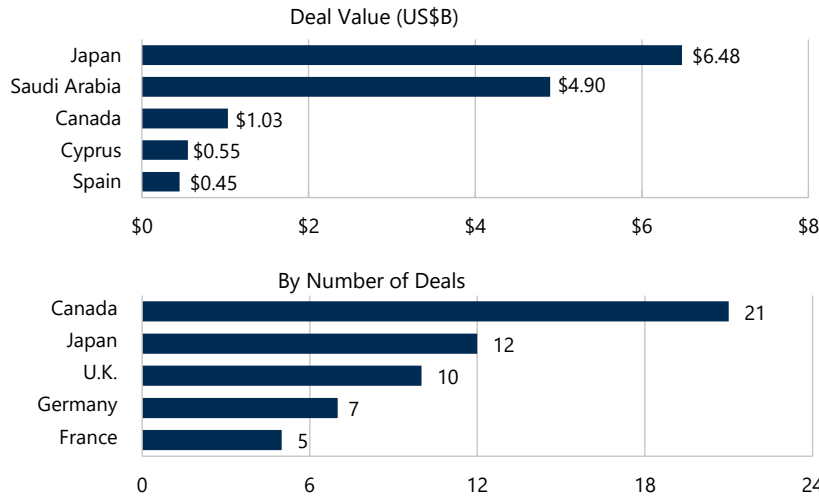
April 2023	10.0
Last 12 Months	17.2

Total Target Adviser Fee(s) as % of Equity Value

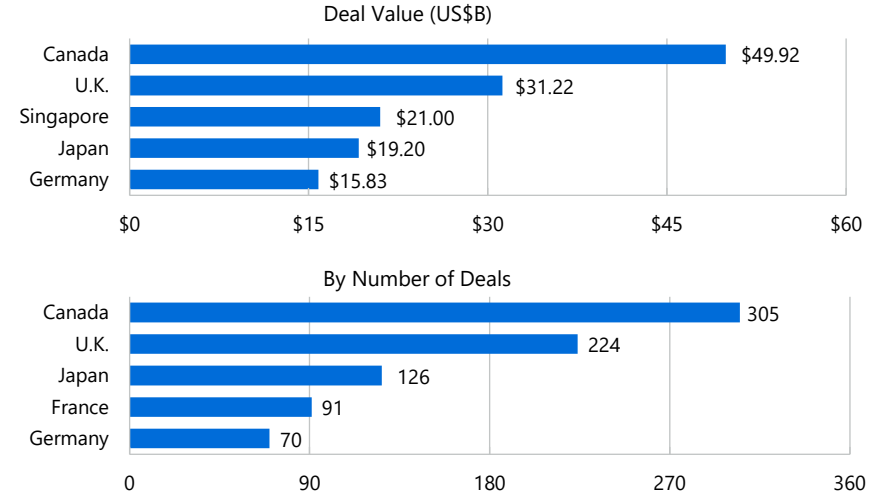
April 2023	0.7
Last 12 Months	1.7

**Top 5 Countries of Origin for Inbound U.S. Crossborder Transactions**

**Inbound U.S. Crossborder Transactions for April 2023**

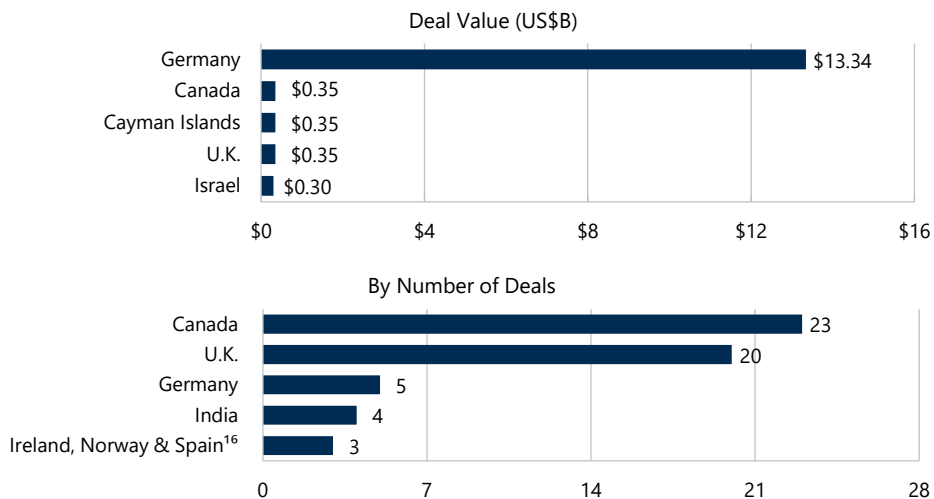


**Inbound U.S. Crossborder Transactions for the Last 12 Months**

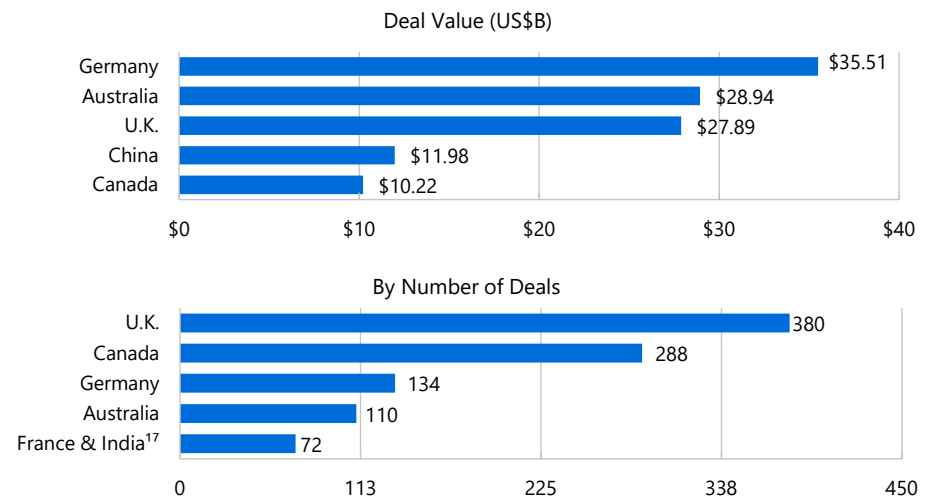


**Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions**

**Outbound U.S. Crossborder Transactions for April 2023**

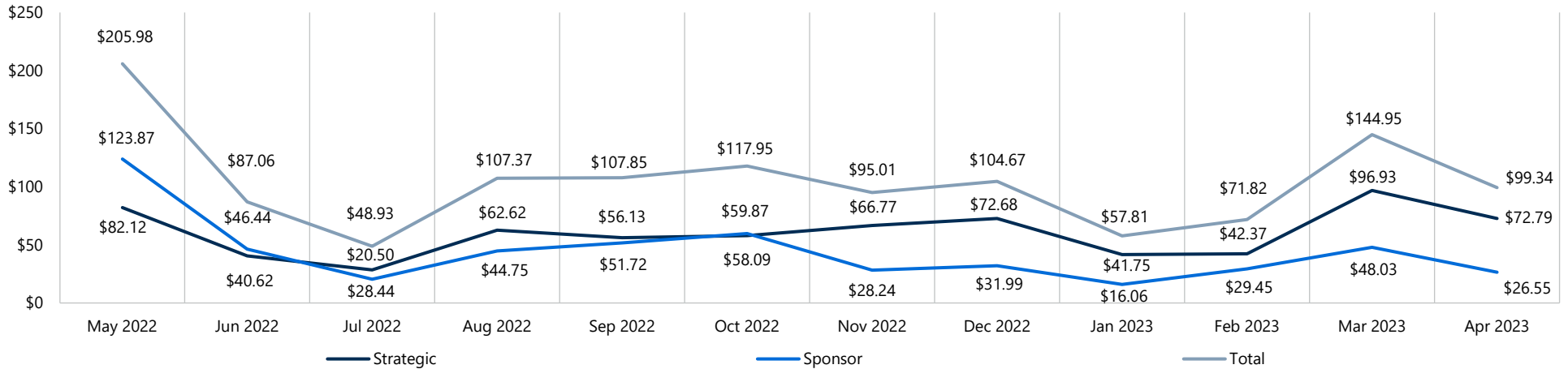


**Outbound U.S. Crossborder Transactions for the Last 12 Months**

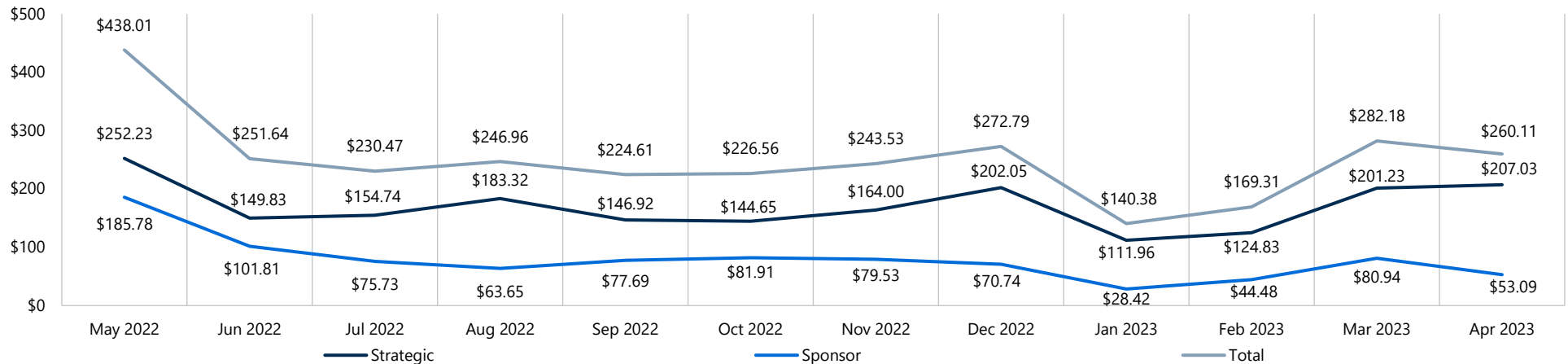


## Appendix: M&A Activity – 12 Month Trends

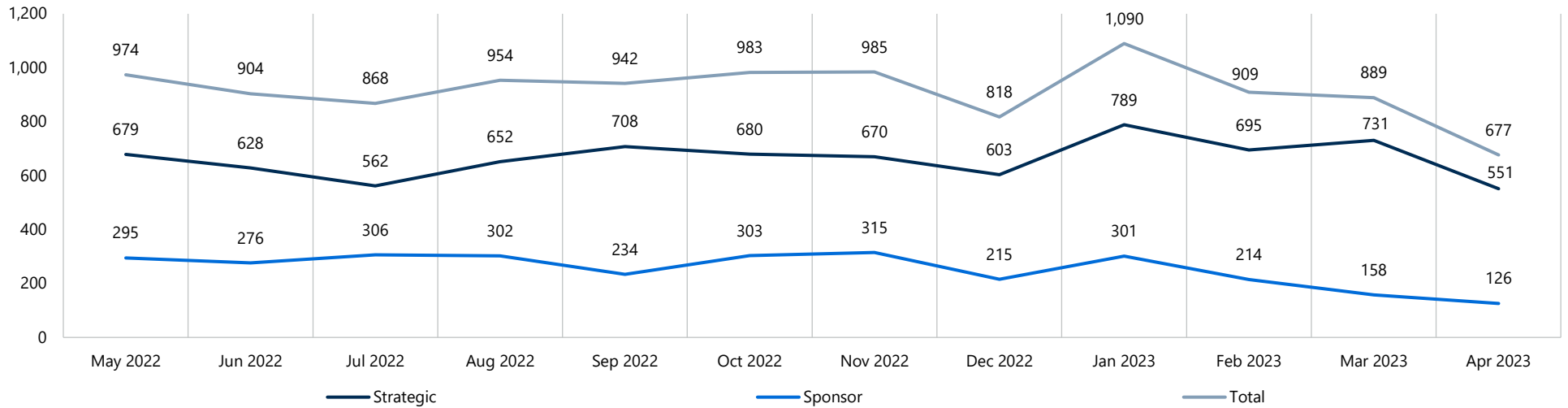
U.S. Deal Value (US\$B)



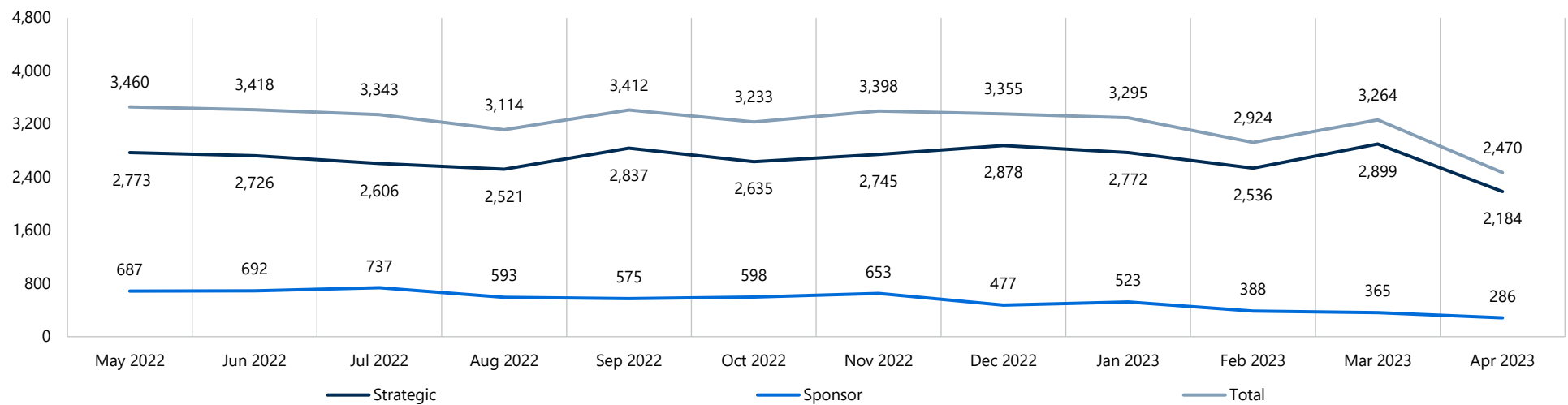
Global Deal Value (US\$B)



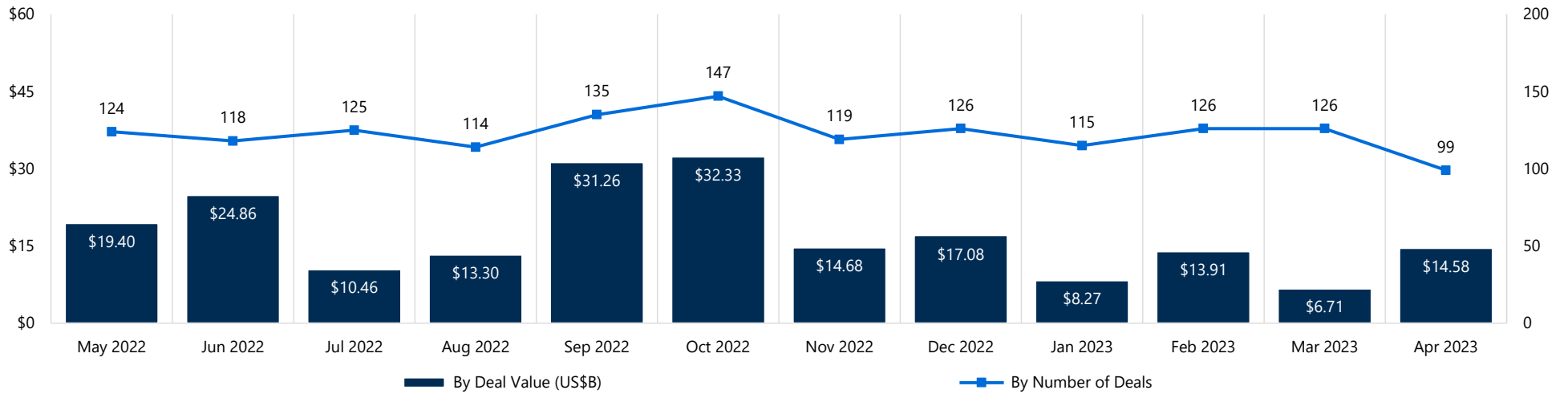
U.S. Number of Deals



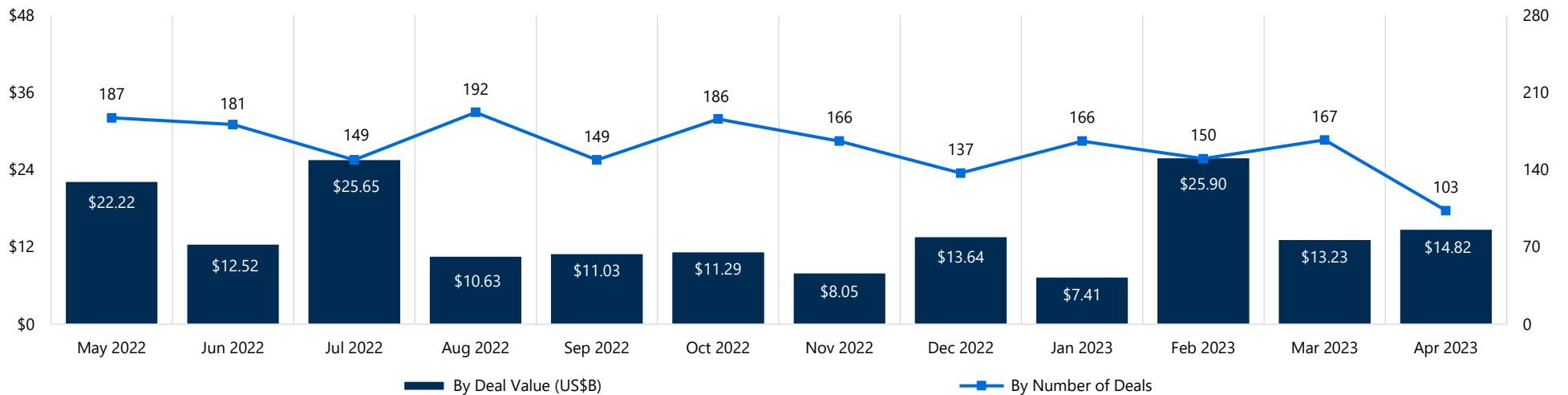
Global Number of Deals



**Inbound U.S. Crossborder Transactions**

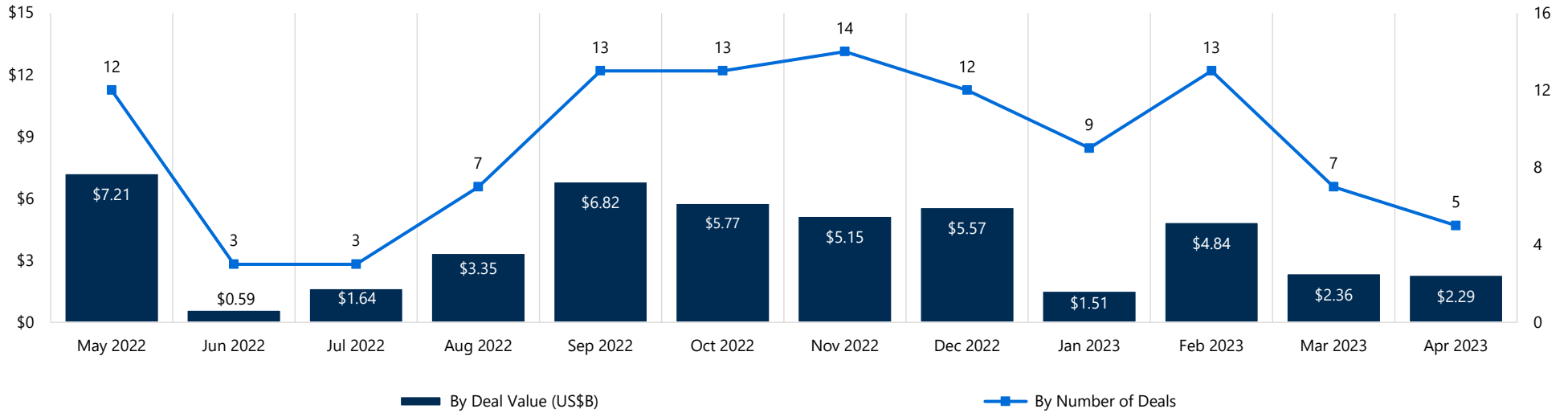


**Outbound U.S. Crossborder Transactions**

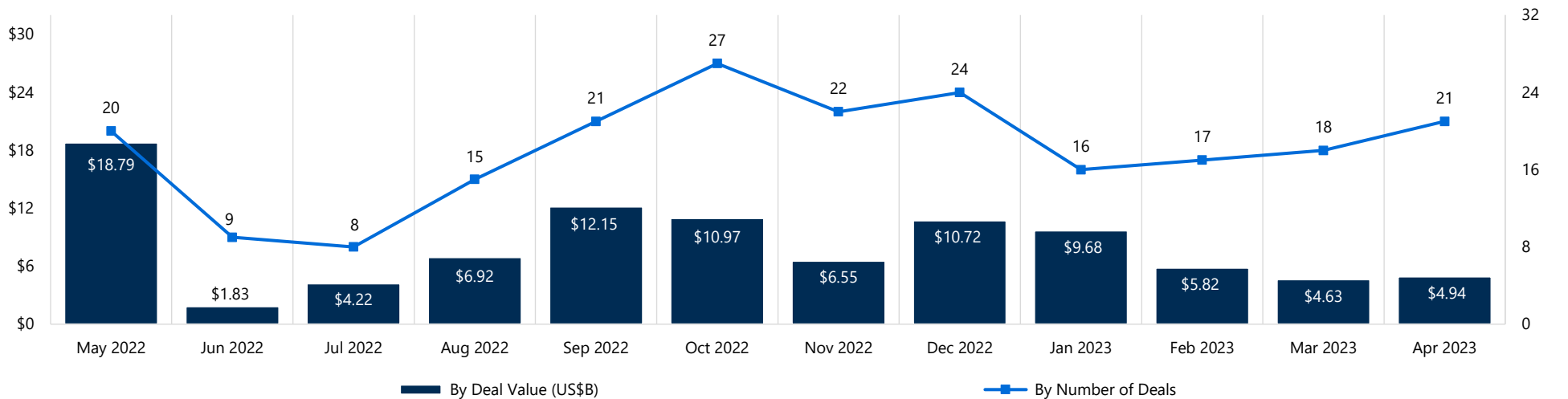




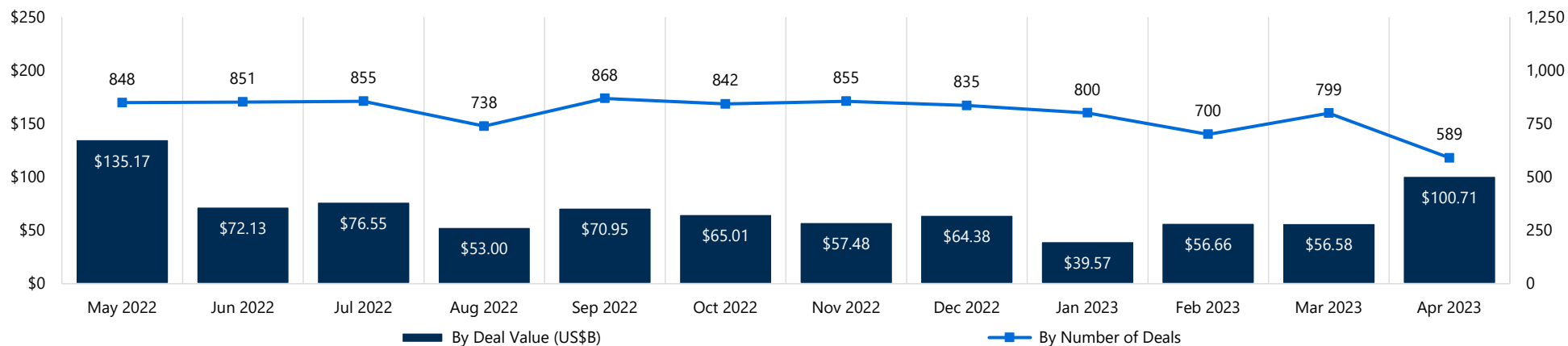
U.S. SPAC Acquisitions<sup>18</sup>



Global SPAC Acquisitions<sup>19</sup>



## Global Crossborder Transactions



## Endnotes

- Industries categories are determined and named by Cortex.
- Based on the highest target break fees and reverse break fees payable in a particular deal.
- There were nine transactions in April 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Five transactions in April 2023 had a reverse break fee.
- No transactions in April 2023 involving a financial buyer had a reverse break fee.
- Five transactions in April 2023 involving a strategic buyer had a reverse break fee.
- No transactions in April 2023 involved a financial buyer.
- Nine transactions in April 2023 involved a strategic buyer.
- No transactions in April 2023 had a go-shop provision.
- No transactions in April 2023 involving a financial buyer had a go-shop provision.
- No transactions in April 2023 involving a strategic buyer had a go-shop provision.
- Due to rounding, percentages may not add up to 100%.
- This data includes both announced transactions for which a definitive merger agreement was reached and filed and those for which a definitive merger agreement was never reached and filed (including withdrawn transactions).
- Unaffected Premium % indicates the difference between the current price per share offered as consideration in the transaction and the "unaffected price," reflected as a percentage. The "unaffected price" is the target's closing stock price on the date that is one calendar day prior to the first public disclosure regarding a potential deal involving the target and on which the target's stock price was unaffected by the news of the deal.
- In April 2023, each of Ireland, Norway and Spain was the country of origin for three transactions.
- For the last twelve months ended April 2023, each of France and India was the country of destination for 72 transactions.
- This data reflects U.S. targets that have been acquired by a SPAC of any nationality.
- This data reflects both U.S. and non-U.S. targets that have been acquired by a SPAC of any nationality.

The charts on p. 1–2 and 5–10 were compiled using Cortex, and are for the broader M&A market, including public and private transactions of any value. Deal volume by dollar value and average value of deals are calculated from the subset of deals that include a disclosed deal value. The charts on p. 3–4 were compiled using Deal Point Data, and include acquisitions seeking majority or higher control of U.S. targets valued at \$100 million or higher announced during the period indicated and for which a definitive merger agreement was reached and filed (except with respect to data regarding premiums and hostile/unsolicited offers, which is for all announced deals). "Last 12 Months" data is for the period from April 2022 to March 2023 inclusive. Data obtained from Cortex and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

## Our Mergers & Acquisitions Practice

Paul, Weiss is a leading law firm serving the largest publicly and privately held corporations and financial institutions in the United States and throughout the world. Our firm is widely recognized for achieving an unparalleled record of success for our clients, both in their bet-the-company litigations and their most critical strategic transactions. We are keenly aware of the extraordinary challenges and opportunities facing national and global economies and are committed to serving our clients' short- and long-term goals.

The Paul, Weiss M&A Group consists of approximately 40 partners and 125 counsel and associates based in New York, Washington, Wilmington, London, San Francisco, Toronto, Tokyo, Hong Kong and Beijing. The firm's Corporate Department consists of more than 75 partners and roughly 300 counsel and associates.

Our M&A Group is among the most experienced and active in the world. We represent publicly traded and privately held companies, leading private equity firms, financial advisors, and other financial institutions and investors in their most important mergers and acquisitions, joint ventures and other strategic transactions. Our expertise advising corporations and private investors in a broad range of sophisticated transactions enables us to identify new opportunities for our clients to realize value. We have particular experience in guiding clients as they engage in proxy battles, company-altering and market consolidating transactions or capital markets transactions.

### Strategic M&A

Recent highlights include advising: Amedisys in its \$9.7 billion combination with Option Care Health; Suncor Energy in its C\$5.5 billion acquisition of TotalEnergies' Canadian operations; Carrier Global Corporation in its €12 billion acquisition of Viessmann Climate Solutions; GSK in its \$2 billion acquisition of BELLUS Health; Merck & Co. in its \$10.8 billion acquisition of Prometheus Biosciences; World Wrestling Entertainment in its agreement with Endeavor Group Holdings to merge WWE with UFC to form a new publicly listed company with an enterprise value of \$21.4 billion; the special committee of Duck Creek Technologies' board of directors in connection with Duck Creek's \$2.6 billion take-private sale to Vista Equity Partners; The Estée Lauder Companies in its \$2.8 billion acquisition of the Tom Ford brand; Yamana Gold in its \$4.8 billion sale to Pan American Silver and Agnico Eagle Mines; Amazon in its \$3.9 billion acquisition of One Medical and in its \$1.7 billion acquisition of iRobot; Resolute Forest Products in its \$2.7 billion sale to The Paper Excellence Group through the Group's wholly-owned subsidiary, Domtar Corporation; Yamana Gold in its proposed \$6.7 billion sale to Gold Fields; Shopify in its \$2.1 billion acquisition of Deliverr; CDK Global in its \$8.3 billion sale to Brookfield Business Partners; General Motors Co. in its \$3.45 billion acquisition of SoftBank Vision Fund's equity ownership stake and assumption of Softbank's investment obligation in the autonomous vehicle joint venture Cruise; Chevron Corporation in its \$3.15 billion acquisition of Renewable Energy Group; Aptiv in its \$4.3 billion acquisition of Wind River from TPG Capital; Rocket Companies in its \$1.275 billion acquisition of Truebill; General Electric in its reorganization through spin-offs into three separately traded public companies; Qualcomm, alongside SSW Partners, in its \$4.5 billion topping bid for Veoneer; Continental Grain Company in its joint venture with Cargill to acquire Sanderson Farms for a total equity value of \$4.53 billion; Translate Bio in its \$3.2 billion sale to Sanofi; Carrier Global Corporation in the \$3.1 billion sale of its Chubb fire and security business to API Group Corporation; Bowlero Corp in its \$2.6 billion business combination with Isos Acquisition Corporation; the Special Committee of the Board of Directors of QAD in its \$2 billion sale to Thoma Bravo; QTS Realty Trust in its \$10 billion sale to Blackstone; MGM in its \$8.45 billion sale to Amazon; Lehigh Hanson in the \$2.3 billion sale of its U.S. West region business to Martin Marietta Material; Advance in the \$150 billion Reverse Morris Trust transaction that will combine AT&T's WarnerMedia business with Discovery; Nuance Communications in its \$19.7 billion sale to Microsoft Corp.; General Electric in the more than \$30 billion combination of its jet leasing unit GE Capital Aviation Services (GECAS) with AerCap Holdings; PRA Health Sciences in its approximately \$12 billion sale to ICON; The Goodyear Tire & Rubber Company in its \$2.5 billion acquisition of Cooper Tire & Rubber Company; Perspecta Inc. in its \$7.1 billion sale to Peraton and Veritas Capital; Cenovus Energy in its Cdn. \$23.6 billion combination with Husky Energy; The Kraft Heinz Company in the \$3.2 billion sale of its cheese business to Groupe Lactalis; Teladoc Health in its \$18.5 billion acquisition of Livongo Health; Chevron in its \$13 billion acquisition of Noble Energy; National General Holdings in its \$4 billion sale to The Allstate Corporation; The Medicines Company in its \$9.7 billion sale to Novartis; the Special Committee of the Board of Directors of Pattern Energy Group in its approximately \$6.1 billion sale to Canada Pension Plan Investment Board; the Special Committee of the Board of Directors of CBS Corp. in its merger with Viacom to form ViacomCBS, a combined company with an enterprise value of more than \$40 billion; Elanco Animal Health in its \$7.6 billion acquisition of the animal health business of Bayer AG; the Independent Directors of Avon in its \$3.7 billion sale to Natura & Co.; Trane Technologies in the \$15 billion Reverse Morris Trust spin-off and merger of its industrial business with Gardner Denver Holdings; Chevron in its proposed \$50 billion acquisition of Anadarko Petroleum; General Electric in the \$21.4 billion sale of its BioPharma business to Danaher Corporation; and IBM in its \$34 billion acquisition of Red Hat.

### Private Equity M&A

Recent highlights include advising: funds managed by affiliates of Apollo Global Management, Inc., in its \$5.2 billion take-private acquisition of Arconic Corporation; Apollo Global Management, Inc., alongside affiliated and third-party insurance clients and other long-term investors, in its €1 billion investment in Vonovia; General Atlantic and its portfolio company, OneOncology, in the \$2.1 billion sale to AmerisourceBergen and TPG; funds managed by affiliates of Apollo Global Management in their \$8.1 billion take-private acquisition of Univar Solutions; General Atlantic in the \$10.6 billion sale of its stake in its portfolio company, Oak Street Health, to CVS Health; KPS Capital Partners in the \$4.4 billion sale of its portfolio company Howden to Chart Industries; Brookfield Asset Management in its acquisition of a significant minority stake in Primary Wave Music as part of a new strategic partnership valued at over \$2 billion, and its additional \$1.7 billion capital funding commitment; funds affiliated with Apollo Global Management in a \$1.2 billion equity investment by State Farm in ADT a portfolio company of Apollo; Kohlberg & Company in its acquisition of a 50% stake in United States Infrastructure Corporation from Partners Group for an enterprise value of \$4.1 billion; funds managed by affiliates of Apollo Global Management and an investor group led by the Apollo funds, and including investment affiliates of J.F. Lehman & Company and Hill City Capital, in their take-private acquisition of Atlas Air Worldwide for an enterprise value of \$5.2 billion; Searchlight Capital Partners, alongside Rêv Worldwide, in their \$1 billion acquisition of the consumer business of Netspend from Global Payments; entities affiliated with Ares Capital Management in connection with Infrastructure and Energy Alternatives \$1.1 billion sale to MasTec; Clearlake Capital Group, L.P. in a consortium deal to acquire Chelsea Football Club; Baring Private Equity Asia in its €6.8 billion sale to EQT; KPS Capital Partners in its \$3.45 billion acquisition of Oldcastle BuildingEnvelope from CRH; 3G Capital in its \$7.1 billion acquisition of Hunter Douglas; Global Infrastructure Partners in its \$15 billion acquisition (together with KKR) of CyrusOne; Oak Hill Advisors in its \$4.2 billion sale to T. Rowe Price Group; Neustar in its \$3.1 billion sale, by a private investment group led by Golden Gate Capital and with minority participation from GIC, to TransUnion; KPS Capital Partners in its \$1.7 billion acquisition of a controlling stake in the Primary Products Business in North America and Latin America of Tate & Lyle; KPS Capital Partners and its portfolio company DexKo Global in the \$3.4 billion sale of DexKo to Brookfield Business Partners; funds managed by affiliates of Apollo Global Management in their \$5 billion acquisition of Verizon Media; Univision Holdings in its \$4.8 billion combination with the content and media assets of Grupo Televisa, S.A.B.; Apollo Global Management in its \$11 billion merger with Athene; KPS Capital Partners in its \$2.7 billion acquisition of the EMEA food, aerosol and promotional packaging business from Crown Holding; Inspire Brands in its \$11.3 billion acquisition of Dunkin' Brands Group; an affiliate of Roark Capital Group in its approximately \$1.5 billion acquisition of the ServiceMaster Brands businesses of ServiceMaster Global Holdings; affiliates of Roark Capital in its \$200 million investment in The Cheesecake Factory; General Atlantic, as lead investor in a consortium, in its \$8.7 billion acquisition of 58.com; funds managed by affiliates of Apollo Global Management in their \$2.7 billion acquisition of Shutterfly; and KPS Capital Partners in its \$1.8 billion acquisition of Howden from Colfax.

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